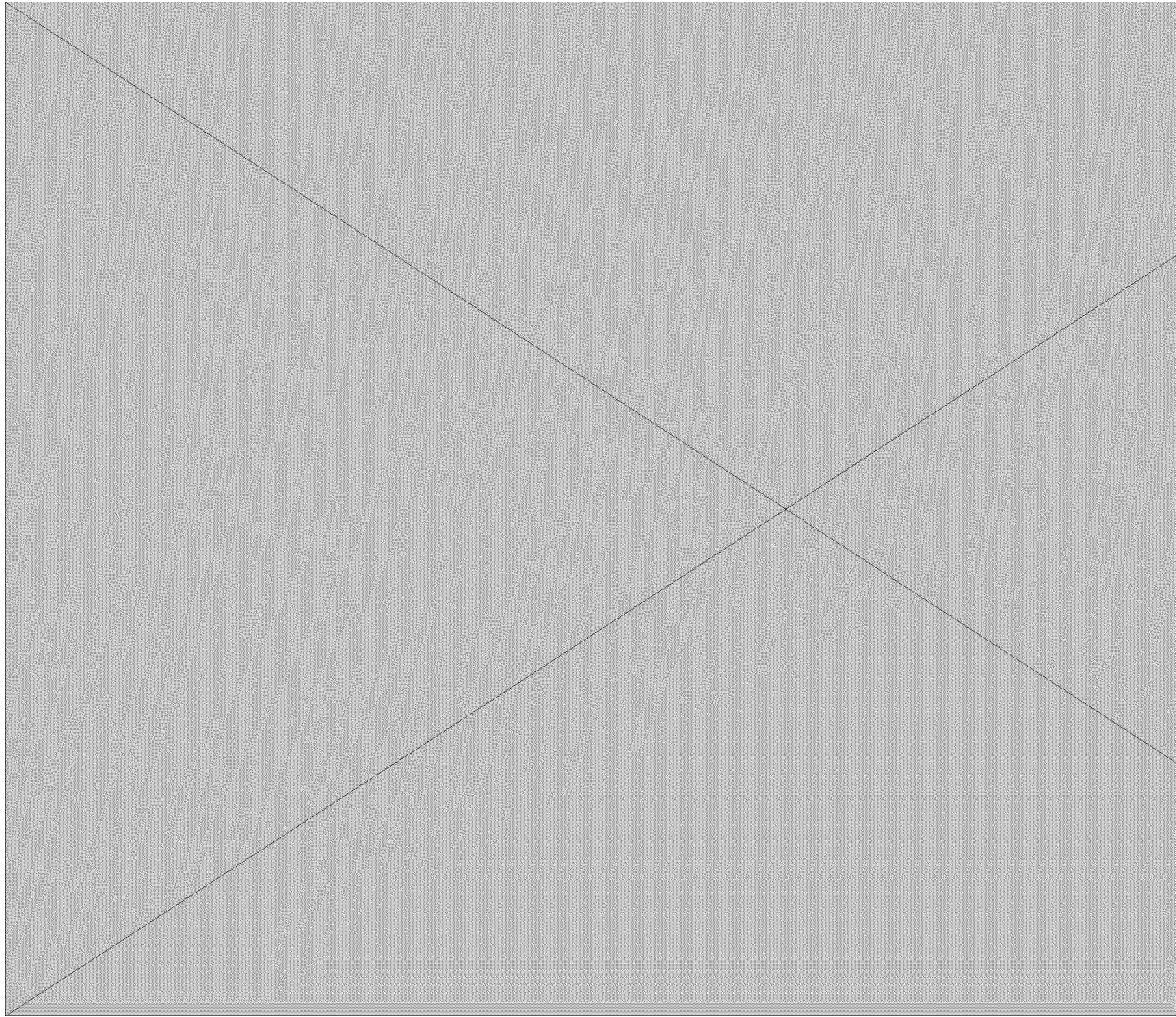


To: Szal, Gerald (DEP)[gerald.szal@state.ma.us];
todd.callaghan@state.ma.us[todd.callaghan@state.ma.us];
jack.schwartz@state.ma.us[jack.schwartz@state.ma.us]; Papadopoulos,
George[papadopoulos.george@epa.gov]; Gaito, Danielle[Gaito.Danielle@epa.gov]
From: Vakalopoulos, Catherine (DEP)
Sent: Tue 10/13/2015 4:06:46 PM
Subject: Pilgrim nuclear power plant to close in Plymouth
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Probably not news to you folks....

Pilgrim nuclear power plant to close in Plymouth

Station first opened in 1972



David L. Ryan/ Globe Staff/File

The repairs needed to improve Pilgrim's safety rating would have likely cost tens of millions of dollars.

By David Abel Globe Staff October 13, 2015

The company that owns Pilgrim Nuclear Power Station said Tuesday that it plans to close the 43-year-old plant in Plymouth.

Entergy, a Louisiana-based energy conglomerate that has owned Pilgrim since 1999, said it will

close the plant no later than June 2019. It will keep its estimated 600 workers on its payroll until that time.

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“The decision to close Pilgrim was incredibly difficult because of the effect on our employees and the communities in which they work and live,” Leo Denault, Entergy’s chairman and chief executive officer, said in a statement.

Bill Mohl, president of Entergy Wholesale Commodities which oversees the company’s nuclear power plants, told the Globe the company expected to lose \$40 million a year if it kept the plant operating.

“The decision with Pilgrim is really based on the financial viability of the facility,” Mohl said in a telephone interview. He said the declining prices of natural gas have contributed to the company’s expected revenue loss of \$40 million annually. “The bottom line is we looked out in the future and it became very clear we would be cash flow negative and not profitable.”

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Plant failed to address advisory

The lapse raised the possibility that a control room fire would compromise the plant’s ability to safely shut down the nuclear reactor.

- No easy answers for power plant
- Pilgrim says it may shut down

In a statement, Governor Charlie Baker said the shutdown of Pilgrim “poses a potential energy shortage” for Massachusetts and New England, leading him to call for giving more attention to developing “clean, reliable, affordable” energy sources for the state.

“Our Administration will work closely with Pilgrim’s leadership team and federal regulators to ensure that this decision is managed as safely as possible,” Baker said in a statement. “Losing Pilgrim as a significant power generator not only poses a potential energy shortage, but also highlights the need for clean, reliable, affordable energy proposals.”

Entergy said that it was unsuccessful in its effort to persuade regional and federal officials to provide financial incentives for the nuclear industry comparable to what is provided for renewable power sources like solar and wind energies.

Mohl said the company will maintain current staffing levels until the projected shutdown date of June 2019, and then reduce staffing by 50 percent.

He said the plant may stop operating sooner if Entergy can find a way to meet its energy supply commitment to ISO New England, the region’s electric grid operator, by buying power from other companies.

A more detailed plan for the shutdown will be made public early next year, Mohl said.

During the coming years, Mohl said the company will spend what is needed to maintain safety standards in Plymouth.

“Our commitment is to fully comply with the NRC, and our expectation is going to spend that money,” he said. “Safety is our number one priority.”

Mohl said the company is fully aware that its plans for the power station will have a significant impact on Plymouth’s municipal budgets and its residents.

“We certainly intend to meet all of our commitments. We do realize this will have a negative impact on the community,” he said. “We are committed to working with the community. We understand there are broader impacts.”

Company officials plan to hold a press conference at noon Tuesday in Plymouth.

The decision to shut down Pilgrim drew a sharp rebuttal from Craig A. Pinkham, acting president Utility Workers Union of America Local 369, who said officials should consider keeping the plant open.

“Entergy needs to sharpen its pencil, go back to the drawing board, work with the Nuclear Regulatory Commission and the people who know this plant best – the utility workers – and come back with a plan to keep this plant running affordably and safely,” Pinkham said in a statement. “It is not acceptable to walk away from a resource this valuable, and this important to our energy supply and to our economy, simply because it is going to require an investment to

maintain its viability.”

The decision comes about a month after the federal Nuclear Regulatory Commission downgraded the plant’s safety rating. Pilgrim and two reactors in Arkansas are now considered the least safe in the country.

Company officials said the future for the plant looked grim as the state has sought long-term agreements to procure significant amounts of energy from a hydroelectric plant in Canada and has looked at expanding the supply of natural gas to the region.

Moreover, the costs of complying with federal safety requirements would have been costly, company officials said. They estimate it will cost between \$45 million and \$60 million just to comply with increased inspections by the Nuclear Regulatory Commission. That doesn’t include the amount the company would have to spend to address issues that arise from the inspections.

Mohl said the shutdown will not stop the company from complying with NRC demands and he said Entergy is committed to spending the estimated tens of millions of dollars needed for increased NRC inspections.

“Our commitment is to fully comply with the NRC, and our expectation is going to spend that money,” he said. “Safety is our number one priority.”

In a statement, the NRC acknowledged Entergy’s commitment to running the plant safely until it shuts down in 2019.

“The NRC will continue to conduct inspections and provide oversight consistent with that required of a plant in that status,” the statement said. “The agency will keep close watch on Pilgrim’s performance through the end of its operational life.”

Entergy officials said the plant will begin the decommissioning process after it shuts down in 2019. They said the plant’s decommissioning trust fund had a balance of approximately \$870 million as of Sept. 30, 2015.

They said that represents \$240 million more in decommissioning money than they are legally required to have at this time.

The closure of the plant could make it significantly harder to meet the state’s goals of cutting its carbon emissions 25 percent below 1990 levels by 2020 and 80 percent below by 2050.

Pilgrim supplies an average of about 5 percent of the region’s energy, and the 680-megawatt plant accounts for about 84 percent of the state’s non-carbon emitting energy.

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